1998 Buffalo Region Low Volume Plan

Background Information:

Due to the predominately rural demographics of the Region, the percentage of total CIV sold through Low Volume (< 75 CPW) calls represents a small percentage of total Region CIV. Approximately 9% of total Region CIV is sold through these outlets. During 1997, the Sales Force was focused on working 75 + CPW accounts to ensure adequate call frequency across 91% of the Region CIV. These calls obviously present greater opportunity to positively impact our business due to their volume importance, as well as a generally greater commitment to the category by retailers vs. lower volume calls. While we recognize an opportunity to penetrate deeper into this low volume universe, the majority of our activities need to be focused against 75 + CPW calls.

The Region presently ships approximately 1,500 displays during each DPC promotion drive period. The majority of these displays were sold by RJR's Sales Force. During 1998, we will continue to target these calls with DPC promotions.

1998 Objectives

1) Maintain current DPC program universe.

2) Further penetrate lower volume accounts (60-99) and commit resources in those calls where RJR can impact business.

1998 Strategies

1) Sales Reps/KAMs/AMs will evaluate present DPC lists for accounts they contact and update SIS indicators per guidelines.

2) Sales Reps to contact identified 60-99 CPW calls presently not contacted by January 31, 1998 to evaluate opportunities.

   * An additional 2% of total Region CIV would be targeted as a result of dropping the minimum volume of a call we contact from 75 CPW to 60 CPW.

   * Metro areas are top priority.
     - Buffalo metro can most likely be covered by adjusting present Sales Rep call frequencies. Presently being evaluated.
     - Southern Albany Division assignments adjoining NY metro Region are presently being evaluated due to higher CIV percentage in lower volume calls. This area may warrant the placement of a Territory Rep. DM to submit request/rationale to RSM.

   * Liquor stores presently on SIS being evaluated due to potential "adult only" venue growth.

   * Competitive presence and activities in these accounts is being evaluated.

   * Accounts willingness to work with RJR being evaluated.

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If opportunity exists:

* DPC being sold.

* PDI / POS being sold.

* Temporary displays being sold.

* Monthly or quarterly coverage being assigned.

* SIS indicators being updated per guidelines.

KAMs / AMs are evaluating low volume chain locations with the objective of working our DPC program in these locations.

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